



Shell Offshore Inc.

A* affiliate of Shell Oil Company

RECEIVED
7-14-98 VLB

6

One Shell Square
P.O. Box 61933
New Orleans LA 70161

July 10, 1998

Department of the Interior
Minerals Management Service
Mail Stop 4024
381 Elden Street
Herndon, VA 20170-4817

Attention: Rules Processing Team (Comments)

Ladies and Gentlemen:

Subject: Comments Regarding the Proposed Revisions
Concerning Postlease Operations Safety as outlined in the
Federal Register Vol. 63, No. 30, pgs. 7335-7356

Shell Offshore Inc. (SOI), Shell Deepwater Production Inc. (SDPI), Shell Deepwater Development Inc. (SDDI), and Shell Deepwater Development Systems Inc. (SDDSI), subsidiaries of Shell Oil Company (hereinafter referred to as Shell), appreciates this opportunity to provide comments on the subject proposed revisions. Shell is a leading producer of hydrocarbons and a major leaseholder in the Gulf of Mexico. The proposed regulation covers very important aspects of the OCS regulatory framework.

We actively participated in the development of detailed comments being submitted by the American Petroleum Institute, Offshore Operators Committee, National Ocean Industries Association, and other trade associations which are being submitted jointly under a separate letter. We encourage the MMS to closely review those comments and proposed modifications during the review process and to adopt all the changes which will significantly improve the final regulation.

Listed below are some of the key changes that are included in the trade association comments:

- In the processing of rewriting the regulation in plain English, some changes have occurred which change the intent of the original regulation and/or leave out specific provisions of the existing regulation which are very important for the regulated community.

- Some of the definitions included in the proposed regulation are new and/or revised. We have proposed revised language to make them clearer and easier to interpret.
- The definition of Facility as used in Section 250.11 appears to broaden the MMS inspection jurisdiction to State Waters and Onshore locations. We disagree with this expansion and understand that states are not relinquishing their jurisdiction for these facilities to the MMS.
- We encourage the MMS to revise the accident reporting requirements that are being discussed by the USCG National Offshore Safety Advisory Committee Subcommittee which includes MMS members. Offshore operators should not be required to report incidents using two different forms to two separate Federal Agencies. In addition, the definition of "fire" is still an issue of confusion between operators and an explanation may be appropriate in the regulations.

We appreciate your consideration of our comments and those of the trade associations, which has been submitted under separate letter. If you have any questions, please contact me at (504) 728-6982.

Yours very truly,



Peter K. Velez
Manager Regulatory Affairs